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Issue 2, September 2009

Your Health. Take Charge.

Visit <http://hbe.sandia.gov> for up-to-date information

Sandia's Medical Plan Offerings for 2010 and 2011

- **In 2010:** Sandia Total Health — a Consumer-Directed Health Plan (CDHP) — will be one of your medical plan choices, along with the UnitedHealthcare Premier Plan, CIGNA In-Network Plan, and the Kaiser HMO Plan (California only).
- **In 2011:** Sandia Total Health will be *your only Sandia-sponsored medical plan*. Our goal is to offer Sandia Total Health through many of our current physician/facility networks, such as Presbyterian and Lovelace in New Mexico, Kaiser in California, and other well-regarded networks in California and other areas.

Your Health. Take Charge.

This issue of *Your Health. Take Charge.* provides a closer look at Sandia Total Health — the new medical plan that Sandia will offer starting in 2010.

You will also learn more about some of the wellness tools and resources available to help you manage your health and your healthcare costs.

Keep in mind that Sandia Total Health is a Consumer-Directed Health Plan (CDHP). It's a key component of our healthcare strategy to manage healthcare costs by encouraging healthcare consumerism and improving overall health through an integrated approach to health and wellness. This includes a focus on prevention and healthy lifestyles, the management of chronic conditions, and behavior modification aimed at changing risk factors. If this strategy is successful, Sandia will be able to more effectively manage increasing healthcare costs and improve the overall health of employees and retirees. And this strategy will help us continue to make progress in bringing the value of our overall benefits more in line with the value of benefits being offered by similar research organizations and a select group of large industrial companies.

How Sandia Total Health Will Benefit You

Sandia Total Health gives you greater control over how you spend — and save — your healthcare dollars. By being a good healthcare consumer, you can make your money — and Sandia's money — go farther.

One of the unique aspects of Sandia Total Health is the **Health Reimbursement Account (HRA)**. If you enroll in Sandia Total Health, Sandia contributes to your HRA based on the level of coverage you select and whether you get your yearly biometric screening **and** take a Health Assessment. Then throughout the year, you decide how to spend your HRA. This will help you become more aware of your healthcare costs. Please note that your dependents are not required to complete the screening or Health Assessment for you to receive the Sandia HRA contribution.

You can use your HRA to pay for your Sandia Total Health expenses — such as your deductible, coinsurance, and prescription drugs. Take a look at the following examples to see how you can use your HRA to offset your out-of-pocket healthcare costs.

Healthcare Cost Examples

In last month's newsletter, we showed you what a year of healthcare might cost for Jane — a retiree with no dependents — and for Carl and his spouse, in a year when they had low use of healthcare services. In the following examples, we will show you what a year of healthcare might cost for Jane and Carl when both retirees experience major healthcare expenses.

Example: Jane, who has a major healthcare expense year

Jane is a retiree with no dependents, who is paying 10% premium share. She used her medical benefits a lot this year. Jane completed a biometric screening and a Health Assessment, so Sandia added \$250 to her Health Reimbursement Account. Here's what her annual medical expenses would be under Sandia Total Health compared to the current UHC Premier Plan.

The amount Jane would pay is in **bold**.

Jane: Retiree-Only Coverage Major Healthcare Expenses			
	Actual Cost of Service (In-Network)	Sandia Total Health: Jane's Cost	Current UHC Premier Plan: Jane's Cost
Annual Physical	\$210	\$0	\$0
PCP Office Visits (5 visits)	\$400	\$400	\$100
Specialist Office Visits (5 visits)	\$1,250	\$530	\$175
Hospitalization	\$40,000	\$1,820	\$1,750
Preferred Brand Drug Prescription (12 specialty fills)	\$36,000	\$1,500	\$480
Jane's Total Out-of-Pocket Costs Before HRA	N/A	\$4,250	\$2,505
Amount Paid From HRA	N/A	\$250	\$0
Total Out-of-Pocket Costs After HRA	N/A	\$4,000	\$2,505
Annual Premium	N/A	\$852	\$912
Total Retiree Costs (out-of-pocket expenses + annual premium)	N/A	\$4,852	\$3,417
HRA Rollover to Next Year	N/A	\$0 (\$250 Sandia contribution for taking Health Assessment minus \$250 allocation for out-of-pocket costs)	N/A



Example: Carl and his spouse, who have a major healthcare expense year

Carl is a retiree who is paying 10% premium share, and he and his spouse used their medical benefits a lot this year. Carl completed a biometric screening and a Health Assessment this year, so Sandia added \$500 to his Health Reimbursement Account. Here's what his annual medical expenses would be under Sandia Total Health compared to the current UHC Premier Plan.

The amount Carl would pay is in **bold**.

Carl: Retiree + Spouse Major Healthcare Expenses			
	Actual Cost of Service (In-Network)	Sandia Total Health: Carl's Cost	Current UHC Premier Plan: Carl's Cost
Annual Physical	\$210	\$0	\$0
Spouse Annual Physical	\$210	\$0	\$0
PCP Office Visits (9 visits)	\$540	\$540	\$180
Specialist Office Visits (15 visits)	\$3,750	\$1,518	\$525
Hospitalization	\$40,000	\$1,478	\$1,750
Generic Prescription (30 retail fills)	\$1,050	\$210	\$210
Preferred Brand Drug Prescription (15 retail fills)	\$1,500	\$450	\$450
Carl's Total Out-of-Pocket Costs Before HRA	N/A	\$4,196	\$3,115
Amount Paid From Health Reimbursement Account	N/A	\$500	\$0
Total Out-of-Pocket Costs After HRA	N/A	\$3,696	\$3,115
Annual Premium	N/A	\$1,704	\$1,824
Total Retiree Costs (out-of-pocket expenses + annual premium)	N/A	\$5,400	\$4,939
HRA Rollover to Next Year	N/A	\$0 (\$500 Sandia contribution for taking Health Assessment minus \$500 allocation for out-of-pocket costs)	N/A

What It Means to *Take Charge* of Your Healthcare

Since Sandia Total Health gives you the purchasing power when it comes to your healthcare spending, it will be important for all employees and retirees to become smarter “consumers” of healthcare services. You can do this by better understanding how to effectively purchase services, seek treatment, and live a healthier lifestyle.

Having information about your health and getting involved in healthcare decisions are important for managing healthcare costs, and will be crucial to getting the most out of Sandia Total Health and your Health Reimbursement Account (HRA). To do this, you need to think about healthcare like any other purchase: *do research, compare options and costs, and make a decision based on the best quality and the best value.*

Here are **5 things** you can start doing today to be a smarter healthcare consumer:

- 1. Talk with your doctor** — Share information openly with your doctor and ask questions about your health. It’s also a good idea to build a relationship with a doctor, which will allow him or her to become familiar with your health history, issues, and risks.
- 2. Learn about your health** — A good start toward learning about your health is taking a Health Assessment. The confidential assessment will identify any potential health risks and offer personalized recommendations about how to improve your health. Additionally, if you decide to enroll in Sandia Total Health and take a Health Assessment (along with your yearly biometric screening),* you will receive the maximum contribution from Sandia to your HRA.
- 3. Practice prevention** — The healthier you are, the less money you spend on healthcare. With Sandia Total Health, your in-network preventive care — such as annual physicals — is covered **100% with no deductible**. Be sure to get annual physicals, take any prescribed medication as directed (do not skip doses), get some exercise at least 3 times a week, eat nutritiously, wash your hands often during cold and flu season, and get a flu shot each year. Basic safety is important, too. Wearing a helmet when you’re biking, for example, can mean the difference between a few stitches at an urgent care center and a hospital stay with a serious injury if you have an accident.

What is preventive care? Some examples of preventive services that are covered at 100% when you see in-network providers are:

- Well-person exams
- Cholesterol screening
- Colonoscopies and PSA tests
- Certain cancer screenings
- Certain immunizations
- Mammograms and Pap tests

* Sandia will make a contribution to your HRA for your enrolled dependents even if you do not complete the biometric screening and Health Assessment. However, the contribution will be smaller. We encourage you to meet the requirements, so that you receive the full contribution from Sandia.

September

Get a jump start on taking preventive measures by observing **National Cholesterol Awareness Month**. For more information on how watching your cholesterol levels can help your overall health and well-being, go to the HBE site at <http://hbe.sandia.gov>.

- 4. Use tools and resources to make informed healthcare decisions** — Look for information and resources that will help you choose and use your healthcare plans wisely. Go to <http://hbe.sandia.gov> and click on the *Take Charge* link to find guidelines on preventive care, exercise, and healthy eating and links to other valuable resources.
- 5. Understand the true costs of your care** — Do you know the retail cost of the brand-name prescription drug your doctor prescribes? Do you know how much a trip to the emergency room costs? Take the short quiz to the right — you may be surprised to learn how much certain services cost. With Sandia Total Health, you'll be paying the full amount of most healthcare services (except in-network preventive care and prescription drugs) until you meet your deductible, so it will be very important to start learning about the costs of the medical services you need. In addition to the cost of care, consider what you pay for your share of the monthly premium. With Sandia Total Health, you pay lower contributions out of your pension check than with most of the other 2010 Sandia medical plan options.

How Much Does Healthcare Really Cost?

Test your knowledge about the common healthcare services and prescriptions below... you just might be surprised.

What is the estimated average cost a Sandia retiree must pay for the following medical services?	What is the cost of these common brand-name drugs?*
1) Routine doctor's office visit a. \$50 b. \$80 c. \$135 d. \$200	5) Nexium (30 tablets) a. \$25 b. \$50 c. \$75 d. \$175
2) An emergency room visit a. \$200 b. \$400 c. \$600 d. \$800	6) Advair (1 puffer) a. \$95 b. \$211 c. \$275 d. \$350
3) An average 4-day hospital stay (hospital charges only, not counting surgery, etc.) a. \$7,500 b. \$10,000 c. \$15,000 d. \$20,000	7) Lipitor (100 tablets) a. \$150 b. \$270 c. \$310 d. \$375
4) A mammogram a. \$200 b. \$300 c. \$350 d. \$400	

Answer key: 1. b; 2. d; 3. d; 4. b; 5. d; 6. b; 7. c.

* The prescription drugs included in this quiz are on Sandia's formulary list.

Sandia's Health Tools & Resources Work for You

What happens if you and your covered spouse are in two different retiree categories (PreMedicare and Medicare-eligible)?

In this case, you and your spouse are each eligible for the healthcare plans available to each of your retiree categories, as listed below.

2010 Combination Family Plans

PreMedicare Retiree Medical Plans	Medicare Retiree Medical Plans
Sandia Total Health (administered by UnitedHealthcare)	Presbyterian MediCare PPO Plan (NM Medicare Advantage Plan)
UHC Premier Preferred Provider Organization (PPO)	UHC Senior Premier PPO
CIGNA In-Network	Lovelace Senior Plan (NM Medicare Advantage Plan)
Kaiser Permanente Traditional HMO (CA Only)	Kaiser Permanente Senior Advantage (CA Medicare Advantage Plan)

2011 Combination Family Plans (If you retire on or before December 31, 2010)

PreMedicare Retiree Medical Plan	Medicare Retiree Medical Plan
Sandia Total Health (administrator(s) to be announced before 2011)	Sandia-sponsored Medicare Advantage Plan(s) (administrator(s) to be announced before 2011)

2011 Combination Family Plans (If you retire on or after January 1, 2011)

PreMedicare Retiree Medical Plan	Medicare Retiree Medical Plan
Sandia Total Health (administrator(s) to be announced before 2011)	Retiree or covered spouse in this category will be provided an allowance to purchase an individual Medicare Advantage Plan or Medicare Supplemental Plan in the marketplace

Sandia's **Take Charge** website is full of information to help you make smart decisions and to become a better consumer of healthcare. To reach the *Take Charge* website, go to <http://hbe.sandia.gov> and click the "Take Charge" link. Here is what you will find:

News and events: On the home page, look for up-to-date communication about the healthcare benefit changes like *Lab News* and *Lab News Extra*, and an interactive presentation about the healthcare changes.

PreMedicare Retiree link: The first *Your Health. Take Charge.* educational newsletter, guidelines for preventive care, and more.

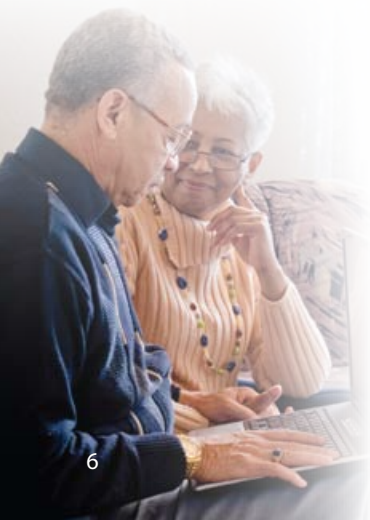
Tools and Resources: Frequently Asked Questions (FAQs), a glossary of terms, and Sandia's Medical Plan Cost Estimator, which will be available during Open Enrollment. This tool allows you to compare the cost of each of our healthcare plans, and to learn about general costs for many healthcare services. On the "Tools and Resources" link, you can also click on "Benefit Carriers" to connect right to UnitedHealthcare, for example. On the UHC site, you can:

- Find a doctor or hospital
- Order a new ID card
- View benefits eligibility
- Check on claims status
- View deductibles and maximums
- Download your benefit booklet
- Get answers to your health-related questions

Prescription drug information

Information about your prescription drug coverage is available by logging on to www.catalyststrx.com or by clicking on "Benefit Carriers" on the "Tools and Resources" link of the *Take Charge* site. On the Catalyst site, you can:

- Get more information about your benefits
- Locate an in-network pharmacy
- Visit the Drug Pricing Center
- Refill a mail-order prescription



How to Participate in a Biometric Screening and Take the Health Assessment

If you've already completed your biometric screening and/or taken the Health Assessment *in 2009*... CONGRATULATIONS!

If not, you have **until March 31, 2010 to complete both of them to be eligible for the full Sandia HRA contribution** should you choose to enroll in Sandia Total Health. If you don't complete a biometric screening and Health Assessment before March 31, 2010, you will not receive your share of the Sandia HRA contribution; however, you'll still receive your dependents' share of the contribution in early January.

Remember to fast **at least 12 hours** before your biometric screening. If you routinely take prescribed medicine, you should still take it before your test.

Step 1: Complete the Biometric Screening before March 31, 2010

Visit your **Primary Care Physician (PCP)** to get your biometric screening. Keep in mind that it might take some time for the doctor to fit you into his or her schedule, so be sure to schedule your appointment early.

You are required to submit your:

- Fasting glucose
- HDL
- Blood pressure
- Total cholesterol
- Triglycerides
- Weight
- LDL
- Abdominal circumference
- Height

Your PCP should fax the final report to HBE at (505) 844-4091, or mail it to:

Sandia HBE/Preventive Health
Attn: Mail Stop 1032
Biometric Test Result
P.O. Box 5800
Albuquerque, NM 87185-1032

Once Sandia has received your biometric screening information from your PCP, Sandia will flag your HRA to indicate you have completed the biometric screening.

Step 2: Complete the Health Assessment before March 31, 2010

To complete the Health Assessment, go to www.myuhc.com and click "Register Now." Once you've registered, log in and click the "Health and Wellness" tab, which will take you to your Personal Health Center page. There you'll find the "Take a Health Assessment" link. The Health Assessment takes approximately 15 minutes to complete, and you will be provided immediate feedback on the current state of your health.



Open Enrollment is Almost Here!

Open Enrollment is **October 26 through November 10**. You'll have several more opportunities to learn about the healthcare changes before Open Enrollment:

- Periodically visit the *Take Charge* health benefits page on the HBE site at <http://hbe.sandia.gov> for updated information and links to tools.
- Open Enrollment information — including a detailed Sandia Total Health Toolkit and a medical plan comparison chart — will be available on the *Take Charge* page in October.
- Retiree and Surviving Spouse benefit presentations/fairs will be conducted during the Open Enrollment campaign. Please see below for a meeting schedule.

If you have questions now, contact Sandia's Health Benefits & Retiree Services Customer Service Department at (505) 844-HBES (4237) or submit your questions to the HBE site at <http://hbe.sandia.gov>.

Benefit Presentations/Fairs Schedule

New Mexico – New Location

Date	Time	Attendees	Location
Thursday, October 29th	8:30 a.m. – 10:00 a.m. 10:30 a.m. – 12:00 p.m.	PreMedicare retirees Medicare retirees	All benefits presentations and fairs will be held offsite at: UNM Continuing Education Conference Center 1634 University NE Albuquerque, NM
Wednesday, November 4th	8:30 a.m. – 10:00 a.m. 10:30 a.m. – 12:00 p.m. 1:00 p.m. – 2:30 p.m.	Medicare retirees PreMedicare retirees Medicare retirees	
Monday, November 9th	8:30 a.m. – 10:00 a.m. 10:30 a.m. – 12:00 p.m. 1:00 p.m. – 2:30 p.m.	PreMedicare retirees Medicare Retirees Medicare Retirees	

California

Date	Time	Attendees	Location
Tuesday, October 27th	8:30 a.m. – 10:00 a.m. 10:30 a.m. – 12:00 p.m.	Medicare retirees PreMedicare retirees	Doubletree Club Hotel 720 Las Flores Road Livermore, CA

Correction Notice: Issue 1 of the *Your Health. Take Charge.* Newsletter had an error on page 7. In the Carl Example chart, in the "Health Reimbursement Account Rollover to Next Year" row, the amount included in the "Sandia Total Health: Carl's Cost" column is incorrect. It should be \$225.

Sandia Corporation's benefit plans are maintained at the discretion of Sandia. They do not create a contract of employment. The plans may be suspended, modified, or discontinued at any time and without prior notice, subject to applicable collective bargaining agreements and except as otherwise provided by applicable law.

Sandia is a multiprogram laboratory operated by Sandia Corporation, a Lockheed Martin Company, for the United States Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000. SAND 2009-5680P.